



General Assembly

February Session, 2006

Raised Bill No. 335

LCO No. 2020

02020_____HED

Referred to Committee on Higher Education and Employment
Advancement

Introduced by:
(HED)

AN ACT CONCERNING PRIVATE OCCUPATIONAL SCHOOLS.

Be it enacted by the Senate and House of Representatives in General
Assembly convened:

1 Section 1. Section 10a-22a of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2006*):

3 [Whenever] As used in sections 10a-22a to 10a-22k, inclusive, as
4 amended by this act, sections 10a-22a to 10a-22w, as amended by this
5 act, and sections 12 to 16, inclusive, of this act:

6 (1) "Private occupational school" means a person, board, association,
7 partnership, corporation, limited liability company or other entity
8 offering instruction in any form or manner in any trade, industrial,
9 commercial, [or] service, professional or other occupation for any
10 remuneration, consideration, reward or promise of whatever nature,
11 except "private occupational school" shall not include [(1)] (A)
12 instruction offered under public supervision and control; [(2)] (B)
13 instruction conducted by a firm or organization solely for the training
14 of its own employees or members; or [(3)] (C) instruction offered by a
15 school authorized by the General Assembly to confer degrees;

16 (2) "Board of Governors" means the Board of Governors for Higher
17 Education;

18 (3) "Branch" means a subdivision of a school (A) located at a
19 different facility and geographical site from the school, except for a site
20 that is an additional classroom site as determined by the
21 commissioner, and (B) that (i) offers one or more complete programs
22 leading to a diploma or certificate; (ii) operates under the school's
23 certificate of operation; (iii) meets the same conditions of authorization
24 as the school; and (iv) exercises administrative control and is
25 responsible for its own academic affairs; and

26 (4) "Commissioner" means the Commissioner of Higher Education.

27 Sec. 2. Section 10a-22b of the general statutes is repealed and the
28 following is substituted in lieu thereof (*Effective October 1, 2006*):

29 (a) No person, board, association, partnership, corporation, limited
30 liability company or other entity shall offer [occupational] instruction
31 in any form or manner in any trade, or in any industrial, commercial,
32 service, professional or other occupation unless such person, board,
33 association, partnership, corporation, limited liability company or
34 other entity first receives from the [Commissioner of Higher
35 Education] commissioner a certificate authorizing the occupational
36 instruction to be offered.

37 (b) Except for initial authorizations, the [Commissioner of Higher
38 Education] commissioner shall accept institutional accreditation by an
39 accrediting agency recognized by the United States Department of
40 Education, in satisfaction of the requirements of this section and
41 section 10a-22d, as amended by this act, including the evaluation and
42 attendance requirement, unless the commissioner finds reasonable
43 cause not to rely upon such accreditation.

44 [(b)] (c) Each person, board, association, partnership, corporation,
45 limited liability company or other entity which seeks to offer

46 occupational instruction shall submit to the [Commissioner of Higher
 47 Education] commissioner, or the commissioner's designee, in such
 48 manner as the commissioner shall prescribe, an application for a
 49 certificate of authorization which [shall include] includes, but need not
 50 be limited to, (1) the proposed name of the school; (2) ownership and
 51 organization of the school including the names and addresses of all
 52 principals, officers, members and directors; (3) names and addresses of
 53 all stockholders of the school, except for applicants which are listed on
 54 a national securities exchange; (4) addresses of any building or
 55 premises on which the school will be located; (5) description of the
 56 occupational instruction to be offered; (6) the proposed student
 57 enrollment agreement; (7) the proposed school catalog; [and] (8)
 58 financial statements detailing the financial condition of the school
 59 prepared by management and reviewed or audited by [a] an
 60 independent licensed certified public accountant or independent
 61 licensed public accountant; and (9) an agent for service of process.
 62 Submitted with an application for initial authorization shall be a
 63 nonrefundable application fee in the amount of [five hundred] two
 64 thousand dollars made payable to the private occupational school
 65 student protection account.

66 [(c)] (d) Upon receipt of a complete application pursuant to
 67 subsection [(b)] (c) of this section, the [Commissioner of Higher
 68 Education] commissioner shall cause to be conducted an evaluation of
 69 the applicant school. Thereafter, the commissioner shall advise the
 70 applicant of authorization or nonauthorization [within] not later than
 71 ninety days following the completed appointment of an evaluation
 72 team pursuant to subsection [(d)] (e) of this section. The commissioner
 73 may consult with the Labor Department and may request the advice of
 74 any other state agency which may be of assistance in making a
 75 determination. In the event of nonauthorization by the [Commissioner
 76 of Higher Education] commissioner, he shall set forth the reasons
 77 therefor in writing and the applicant school may request in writing of
 78 the Board of Governors [of Higher Education] a hearing pursuant to
 79 chapter 54.

80 [(d)] (e) For purposes of an evaluation of an applicant school, the
 81 [Commissioner of Higher Education, or a designee of the
 82 commissioner] commissioner, or the commissioner's designee, shall
 83 appoint an evaluation team which shall include (1) at least two
 84 members representing the Board of Governors, [of Higher Education]
 85 and (2) at least one member for each of the areas of occupational
 86 instruction for which authorization is sought who shall be experienced
 87 in such occupation. [The applicant school shall have the right to
 88 challenge any proposed member of the evaluation team for good cause
 89 shown. A written challenge shall be filed with the commissioner
 90 within ten business days following the appointment of such evaluation
 91 team. In the event of a challenge, a decision shall be made thereon by
 92 the Commissioner of Higher Education within ten business days from
 93 the date such challenge is filed, and if the challenge is upheld the
 94 Commissioner of Higher Education shall appoint a replacement.]
 95 Employees of the state or any political subdivision of the state may be
 96 members of evaluation teams. The commissioner, or the [designee of
 97 the commissioner] commissioner's designee, shall not appoint any
 98 person to an evaluation team unless the commissioner, or such
 99 designee, has received from such person a statement that the person
 100 has no interest which is in conflict with the proper discharge of the
 101 duties of evaluation team members as described in this section. The
 102 statement shall be on a form prescribed by the commissioner and shall
 103 be signed under penalty of false statement. Members of the evaluation
 104 team shall serve without compensation. Except for any member of the
 105 evaluation team who is a state employee, members shall be reimbursed
 106 for actual expenses, which expenses shall be charged to and paid by
 107 the applicant school.

108 [(e)] (f) The evaluation team appointed pursuant to subsection [(d)]
 109 (e) of this section shall: [conduct an] (1) Conduct an on-site inspection;
 110 [and shall submit a written report recommending authorization or
 111 nonauthorization by the Commissioner of Higher Education] (2)
 112 submit a written report outlining any evidence of noncompliance; (3)
 113 provide the school with an opportunity to provide evidence of

114 compliance not later than sixty days after the date of the report; and (4)
 115 submit to the commissioner a written report recommending
 116 authorization or nonauthorization not later than one hundred twenty
 117 days after the on-site inspection. The evaluation team shall determine
 118 whether [(1)] (A) the quality and content of each course or program of
 119 instruction, including, but not limited to, residential, on-line, home
 120 study and correspondence, training or study shall reasonably and
 121 adequately achieve the stated objective for which such course or
 122 program is offered; [(2)] (B) the school has adequate space, equipment,
 123 instructional materials and personnel for the instruction offered; [(3)]
 124 (C) the qualifications of directors, administrators, supervisors and
 125 instructors shall reasonably and adequately assure that students
 126 receive education consistent with the stated objectives for which a
 127 course or program is offered; [(4)] (D) students and other interested
 128 persons shall be provided with a catalog or similar publication
 129 describing the courses and programs offered, course and program
 130 objectives, length of courses and programs, schedule of tuition, fees
 131 and all other charges and expenses necessary for completion of the
 132 course or program, [cancellation] termination, withdrawal and refund
 133 policies; [(5)] (E) upon satisfactory completion of the course or
 134 program, each student shall be provided appropriate educational
 135 credentials by the school; [(6)] (F) adequate records shall be maintained
 136 by the school to show attendance and grades, or other indicators of
 137 student progress, and standards shall be enforced relating to
 138 attendance and student performance; [(7)] (G) the applicant school
 139 shall be financially sound and capable of fulfilling its commitments to
 140 students; and [(8)] (H) any student housing owned, leased, rented or
 141 otherwise maintained by the applicant school shall be safe and
 142 adequate. The evaluation team may also indicate in its report such
 143 recommendations as may improve the operation of the applicant
 144 school.

145 Sec. 3. Section 10a-22c of the 2006 supplement to the general statutes
 146 is repealed and the following is substituted in lieu thereof (*Effective*
 147 *October 1, 2006*):

148 (a) No certificate to operate a private occupational school shall be
 149 authorized by the [Commissioner of Higher Education] commissioner,
 150 or the commissioner's designee, if (1) any principal, officer, member or
 151 director of the applicant school has acted in a similar capacity for a
 152 private occupational school which has had its authorization revoked
 153 pursuant to section 10a-22f, as amended by this act; (2) the applicant
 154 school does not have a net worth consisting of sufficient liquid assets
 155 or other evidence of fiscal soundness to operate for the period of time
 156 for which authorization is sought; (3) the applicant school or any of its
 157 agents engages in advertising, sales, collection, credit or other practices
 158 which are false, deceptive, misleading or unfair; [or] (4) the applicant
 159 school has any policy which discourages or prohibits the filing of
 160 inquiries or complaints regarding the school's operation with the
 161 [Commissioner of Higher Education] commissioner, (5) the applicant
 162 school fails to satisfactorily meet the criteria set forth in subsection (f)
 163 of section 10a-22b, as amended by this act, or (6) a private occupational
 164 school fails to follow the procedures for school closure under section
 165 14 of this act.

166 (b) The commissioner may deny a certificate of authorization if the
 167 person who owns or intends to operate a private occupational school
 168 has been convicted in this state, or any other state, of larceny in
 169 violation of section 53a-122 or 53a-123; identity theft in violation of
 170 section 53a-129b or 53a-129c; forgery in violation of section 53a-138 or
 171 53a-139; or has a criminal record in this state, or any other state, that
 172 the commissioner reasonably believes renders the person unsuitable to
 173 own and operate a private occupational school. A refusal of a
 174 certificate of authorization under this subsection shall be made in
 175 accordance with the provisions of sections 46a-79 to 46a-81, inclusive.

176 [(b)] (c) No certificate to operate a private occupational school shall
 177 be issued by the commissioner pursuant to section 10a-22d, as
 178 amended by this act, until such private occupational school seeking
 179 authorization files with the commissioner certificates indicating that
 180 the buildings and premises for such school meet all applicable state

181 and local fire and zoning requirements. Such certificates shall be
182 attested to by the fire marshal and zoning enforcement officer within
183 the municipality in which such school is located.

184 ~~[(c)]~~ (d) No certificate to operate a new private occupational school
185 shall be issued by the commissioner pursuant to section 10a-22d, as
186 amended by this act, until such private occupational school seeking
187 authorization files with the commissioner an irrevocable letter of credit
188 in the penal amount of twenty thousand dollars guaranteeing the
189 payments required of the school to the private occupational school
190 student protection account in accordance with the provisions of section
191 10a-22u, as amended by this act. The letter of credit shall be payable to
192 the private occupational school student protection account in the event
193 that such school fails to make payments to the account as provided in
194 subsection (a) of section 10a-22u, as amended by this act, or in the
195 event the state takes action to reimburse the account for a tuition
196 refund paid to a student pursuant to the provisions of section 10a-22v,
197 as amended by this act, provided the amount of the letter of credit to
198 be paid into the private occupational school student protection account
199 shall not exceed the amounts owed to the account. The letter of credit
200 required by this subsection shall be [excused once a school has paid in
201 excess of twenty thousand dollars into the private occupational school
202 student protection account or] released eight years [from] after the
203 date of initial approval, [whichever occurs first] provided evidence of
204 fiscal soundness has been verified.

205 (e) The commissioner shall notify the applicant private occupational
206 school, by certified mail, return receipt requested of the decision to
207 grant or deny a certificate of authorization not later then sixty days
208 after receiving the written report of the evaluation team appointed
209 pursuant to subsection (e) of section 10a-22b, as amended by this act.

210 Sec. 4. Section 10a-22d of the general statutes is repealed and the
211 following is substituted in lieu thereof (*Effective October 1, 2006*):

212 (a) [For] After the initial year of approval and for the [first] next

213 three years of operation as a private occupational school, authorization
214 shall be required annually.

215 (b) Following [three years] the fourth year of continuous
216 authorization, a renewal of the certificate of operation, if granted, shall
217 be for a period not to exceed five years and may be subject to an
218 evaluation pursuant to subsections [(d)] (e) and [(e)] (f) of section 10a-
219 22b, as amended by this act, provided no private occupational school
220 shall operate for more than five additional years from the date of any
221 renewal without the completion of an evaluation pursuant to
222 subsections [(d)] (e) and [(e)] (f) of section 10a-22b, as amended by this
223 act.

224 (c) Renewal of the certificate of authorization shall be [made and
225 continued] granted only upon (1) the annual fee payment to the Board
226 of Governors [of Higher Education] of a nonrefundable fee of [one]
227 two hundred dollars, and [any] an additional fee [required for an
228 extension or] of two hundred dollars for each branch school under
229 section 10a-22g, as amended by this act, (2) [review] submission of any
230 [federal] reports or audits concerning the fiscal condition of the school
231 or its continuing eligibility to participate in federal student financial
232 aid programs, [and] (3) the filing with the commissioner of a complete
233 application for a renewed certificate of authorization not less than one
234 hundred twenty days prior to the termination date of the most recent
235 certificate of authorization, [Such authorization shall not be renewed
236 if the school fails to meet all the conditions of its most recent
237 authorization, except that if a school fails to meet such conditions, the
238 commissioner may for good cause shown, issue a probationary
239 authorization extending its most recent authorization for a period of
240 time not to exceed one year] and (4) a determination that the
241 occupational school meets all the conditions of its recent authorization.

242 (d) If the commissioner, or the commissioner's designee, determines,
243 at any time during a school's authorization period, that such school is
244 out of compliance with the conditions of authorization under sections

245 10a-22a to 10a-22k, inclusive, as amended by this act, sections 12 to 16,
 246 inclusive, of this act and sections 10a-22q to 10a-22x, inclusive, as
 247 amended by this act, and any applicable regulations of Connecticut
 248 state agencies, the school may be placed on probation for a period not
 249 to exceed one year. If, after the period of one year of probationary
 250 status, the school remains out of compliance with the conditions of
 251 authorization, the commissioner may revoke such school's certificate of
 252 authorization to operate as a private occupational school pursuant to
 253 section 10a-22f, as amended by this act. During the school's period of
 254 probation, the school shall post its probationary certificate of
 255 authorization in public view. The Department of Higher Education
 256 may publish the school's probationary certificate of authorization
 257 status.

258 [(b)] (e) Notwithstanding the provisions of sections 10a-22a to 10a-
 259 22k, inclusive, as amended by this act, and sections 12 to 16, inclusive,
 260 of this act, the commissioner may authorize the extension of the most
 261 recent certificate of authorization for a period not to exceed sixty days
 262 for good cause shown, provided such extension shall not change the
 263 date of the original certificate's issuance or the date for each renewal.

264 Sec. 5. Section 10a-22e of the general statutes is repealed and the
 265 following is substituted in lieu thereof (*Effective October 1, 2006*):

266 (a) During any period of authorization by the [Commissioner of
 267 Higher Education] commissioner to operate as a private occupational
 268 school pursuant to sections 10a-22a to 10a-22k, inclusive, as amended
 269 by this act, and sections 12 to 16, inclusive, of this act, and 10a-22u to
 270 10a-22w, inclusive, as amended by this act, such private occupational
 271 school may [revise] request revision of the conditions of its
 272 authorization. [, provided such] Such school shall [give notice to the
 273 Commissioner of Higher Education thirty] make such request to the
 274 commissioner, in the manner and on such forms prescribed by the
 275 commissioner sixty days prior to the proposed implementation date of
 276 any intended revision. Such revision shall include, but not be limited

277 to, changes in (1) courses or programs; (2) ownership of the school; (3)
 278 name of the school; [and] (4) location of the [school] school's main
 279 campus; or (5) location of any of the school's branch campuses.

280 (b) The commissioner, or the commissioner's designee, may, not
 281 later than sixty days after receipt of a request to revise the conditions
 282 of authorization, issue an order prohibiting any such change if it
 283 would constitute a material or substantial deviation from the
 284 conditions of authorization. [In the event of such an order, the school
 285 may appeal such action to the Board of Governors of Higher Education
 286 pursuant to chapter 54.]

287 (c) If the commissioner, or the commissioner's designee, fails to take
 288 action upon a request for revision by the sixtieth day following receipt
 289 of the request, such request shall be deemed an approved, and the
 290 private occupational school's certificate of authorization shall be so
 291 revised for the same period as its current authorization.

292 Sec. 6. Section 10a-22f of the general statutes is repealed and the
 293 following is substituted in lieu thereof (*Effective October 1, 2006*):

294 (a) A certificate of authorization issued to a private occupational
 295 school pursuant to sections 10a-22a to 10a-22k, inclusive, as amended
 296 by this act, and sections 12 to 16, inclusive, of this act, and 10a-22u to
 297 10a-22w, inclusive, as amended by this act, may be revoked by the
 298 [Commissioner of Higher Education] commissioner if such school (1)
 299 ceases to meet the conditions of its authorization; (2) commits a
 300 material or substantial violation of sections 10a-22a to 10a-22k,
 301 inclusive, as amended by this act, and sections 12 to 16, inclusive, of
 302 this act, or 10a-22u to 10a-22w, inclusive, as amended by this act, or the
 303 regulations prescribed thereunder; (3) makes a false statement about a
 304 material fact in application for authorization or renewal; or (4) fails to
 305 make a required payment to the private occupational school student
 306 protection account pursuant to section 10a-22u, as amended by this act.

307 (b) The commissioner, or the commissioner's designee, shall serve

308 written notice, by certified mail, return receipt requested upon a
309 private occupational school indicating that revocation of the school's
310 authorization is under consideration and the commissioner shall set
311 forth the reasons such revocation is being considered. [Upon receipt of
312 such notice the school may file, within seven days, a written request
313 for an administrative review of such consideration of revocation before
314 the Commissioner of Higher Education or his designee. Within
315 twenty-one days after the receipt of such request, the commissioner or
316 his designee shall begin an administrative review and shall complete
317 the review within twenty-one days after beginning the review. Within
318 twenty-one days after the completion of the administrative review, the
319 commissioner or his designee shall give written notice of the
320 conclusions of the review to the school. Within fourteen days after
321 receipt of such notice, a school aggrieved by a decision rendered
322 pursuant to an administrative review may request in writing of the
323 Board of Governors of Higher Education a hearing pursuant to chapter
324 54.] Not later than forty-five days after mailing such written notice, the
325 commissioner, or the commissioner's designee, shall hold a compliance
326 conference with the private occupational school.

327 (c) If, after the compliance conference, the commissioner determines
328 that revocation of the certificate of authorization is appropriate, the
329 commissioner shall issue an order and serve written notice by certified
330 mail, return receipt requested upon the private occupational school,
331 which notice shall include, but not be limited to, the date of the
332 revocation.

333 (d) A private occupational school aggrieved by the order of the
334 commissioner revoking its certificate of authorization pursuant to
335 subsection (c) of this section shall, not later than fifteen days after such
336 order is mailed, request in writing a hearing before the Board of
337 Governors. Such hearing shall be held in accordance with the
338 provisions of chapter 54.

339 Sec. 7. Section 10a-22g of the general statutes is repealed and the

340 following is substituted in lieu thereof (*Effective October 1, 2006*):

341 (a) A private occupational school which is authorized by the
 342 [Commissioner of Higher Education] commissioner pursuant to
 343 sections 10a-22a to 10a-22k, inclusive, as amended by this act, and
 344 sections 12 to 16, inclusive, of this act, and 10a-22u to 10a-22w,
 345 inclusive, as amended by this act, may request authorization to
 346 establish and operate [extension or] branch schools for the purpose of
 347 offering the occupational instruction authorized by the commissioner,
 348 provided the branch school complies with the provisions of subsection
 349 (b) of this section. Such school shall make such request for
 350 authorization to operate a branch school, in the manner and on such
 351 forms as prescribed by the commissioner, at least ninety days prior to
 352 the proposed establishment of such branch school.

353 (b) (1) [the] The buildings and premises for such [extension or]
 354 branch [operation] school shall meet all applicable state and local fire
 355 and zoning requirements, and certificates attesting the same signed by
 356 the local fire marshal and zoning enforcement officer [are] shall be
 357 filed with the [Commissioner of Higher Education] commissioner prior
 358 to offering such occupational instruction; [(2) notice of the extension or
 359 branch operation and the course or program of instruction to be
 360 offered are filed with the Commissioner of Higher Education not less
 361 than thirty days prior to offering such occupational instruction; (3)] (2)
 362 [there is] the branch school shall be in compliance with the relevant
 363 requirements set forth in subsection [(e)] (f) of section 10a-22b, as
 364 amended by this act; and [(4) a] (3) A nonrefundable fee in the amount
 365 of [one] two hundred dollars for each branch school is paid annually
 366 [to the Department of Higher Education] into the private occupational
 367 school student protection account.

368 [(b)] (c) The commissioner, or the commissioner's designee, not later
 369 than ninety days after receipt of a request to approve the establishment
 370 of a branch school, may issue an order prohibiting any such [change]
 371 establishment of a branch school if it would constitute a material or

372 substantial deviation from the conditions of authorization or if the
373 private occupational school fails to meet the requirements set forth in
374 subsection (b) of this section. [In the event of such an order, the school
375 may request in writing of the Board of Governors of Higher Education
376 a hearing pursuant to chapter 54.]

377 (d) If the commissioner, or the commissioner's designee, fails to take
378 action upon the request for revision by the ninetieth day receipt of
379 such request, such request shall be deemed approved.

380 Sec. 8. Section 10a-22h of the general statutes is repealed and the
381 following is substituted in lieu thereof (*Effective October 1, 2006*):

382 (a) No representative of a private occupational school not
383 authorized pursuant to sections 10a-22a to 10a-22k, inclusive, as
384 amended by this act, and sections 12 to 16, inclusive, of this act, and
385 10a-22u to 10a-22w, inclusive, as amended by this act, shall visit the
386 residence of any prospective student, solicit enrollments, sell
387 occupational instruction in any form or manner, make representations
388 or give counsel to prospective students without first obtaining a permit
389 from the [Commissioner of Higher Education] commissioner. Such
390 permit shall not be represented to constitute approval of the school
391 itself. Any contract entered into in violation of this section shall not be
392 enforceable by such school.

393 (b) Any person seeking to represent [a] an out-of-state private
394 occupational school not authorized pursuant to sections 10a-22a to
395 10a-22k, inclusive, as amended by this act, and sections 12 to 16,
396 inclusive, of this act, and 10a-22u to 10a-22w, inclusive, as amended by
397 this act, shall file an application with the state Department of Higher
398 Education on forms prescribed by the commissioner. Upon issuance of
399 a permit such representative shall pay a nonrefundable fee of [fifty]
400 five hundred dollars into the private occupational student protection
401 account. The permit shall be valid for a period of one year from date of
402 issuance.

403 Sec. 9. Section 10a-22i of the general statutes is repealed and the
404 following is substituted in lieu thereof (*Effective October 1, 2006*):

405 (a) The [Commissioner of Higher Education] commissioner may
406 assess any person, board, partnership, association, corporation, limited
407 liability company or other entity which violates any provision of
408 sections 10a-22a to 10a-22k, inclusive, as amended by this act, and
409 sections 12 to 16, inclusive, of this act or sections 10a-22u to 10a-22w,
410 inclusive, as amended by this act, an administrative penalty in an
411 amount not to exceed five hundred dollars for each day of such
412 violation.

413 (b) The commissioner shall serve written notice upon a private
414 occupational school when the assessment of such [a] an administrative
415 penalty is under consideration. The notice shall set forth the reasons
416 for the assessment of the penalty. [Upon receipt of such notice, such a
417 school may, within seven days, file a written request for administrative
418 review by the commissioner or his designee. Within forty-five days
419 after the receipt of such request, the commissioner or his designee shall
420 complete an administrative review and give written notice of the
421 determination of the review to the school. Within fourteen days after
422 receipt of such notice, an aggrieved school may appeal in writing to
423 the Board of Governors of Higher Education, setting forth the reasons
424 why the penalty is not proper. The board shall hold a hearing within
425 twenty business days following receipt of an appeal which hearing
426 shall be conducted pursuant to the provisions of chapter 54.] Not later
427 than forty-five days after mailing such notice to the private
428 occupational school, the commissioner, or the commissioner's
429 designee, shall hold a compliance conference with the private
430 occupational school.

431 (c) If, after the compliance conference, the commissioner determines
432 that imposition of an administrative penalty is appropriate, the
433 commissioner shall issue an order and serve written notice by certified
434 mail, return receipt requested upon the private occupational school.

435 (d) A private occupational school aggrieved by the order of the
436 commissioner imposing an administrative penalty pursuant to
437 subsection (c) of this section shall, not later than fifteen days after such
438 order is mailed, request in writing a hearing before the Board of
439 Governors. Such hearing shall be held in accordance with the
440 provisions of chapter 54.

441 Sec. 10. Section 10a-22j of the general statutes is repealed and the
442 following is substituted in lieu thereof (*Effective October 1, 2006*):

443 The [Board of Governors of Higher Education] commissioner,
444 through the Attorney General, may seek an order from the superior
445 court to prevent any violation of sections 10a-22a to 10a-22k, inclusive,
446 as amended by this act, and sections 12 to 16, inclusive, of this act, or
447 10a-22u to 10a-22w, inclusive, as amended by this act. [through the use
448 of an injunction in accordance with the provisions of chapter 916.]

449 Sec. 11. Section 10a-22k of the general statutes is repealed and the
450 following is substituted in lieu thereof (*Effective October 1, 2006*):

451 The Board of Governors [of Higher Education] shall adopt
452 regulations in accordance with the provisions of chapter 54 in order to
453 carry out the provisions of sections 10a-22a to 10a-22k, inclusive, as
454 amended by this act, and sections 12 to 16, inclusive, of this act, and
455 10a-22u to 10a-22w, inclusive, as amended by this act.

456 Sec. 12. (NEW) (*Effective October 1, 2006*) (a) Any private
457 occupational school operating without a certificate of authorization
458 required under section 10a-22b of the general statutes, as amended by
459 this act, or operating a branch school in violation of section 10a-22g of
460 the general statutes, as amended by this act, shall be fined not more
461 than five hundred dollars for each day of unauthorized operation, to
462 be paid into the private occupational student protection account.

463 (b) The commissioner, or the commissioner's designee, may conduct
464 an investigation and, through the Attorney General, maintain an action

465 in the name of the state against any person to restrain or prevent the
466 establishment or operation of an institution that does not have a
467 certificate of authorization.

468 Sec. 13. (NEW) (*Effective October 1, 2006*) The Board of Governors or
469 the commissioner, through the Attorney General, may petition the
470 superior court for the judicial district of Hartford for the enforcement
471 of any order issued by the Board of Governors or the commissioner,
472 and for other appropriate relief. The court may issue such orders as are
473 appropriate to aid in enforcement.

474 Sec. 14. (NEW) (*Effective October 1, 2006*) (a) A private occupational
475 school shall notify the commissioner, in writing, at least sixty days
476 prior to closure of such school. The private occupational school shall
477 provide evidence prior to closing that: (1) All course work is or will be
478 completed by current students at the school; (2) there are no refunds
479 due any students; (3) all student records will be maintained as
480 prescribed in section 15 of this act; (4) final payment has been made to
481 the private occupational school student protection account; (5) a
482 designation of service form has been filed with the commissioner; and
483 (6) the certificate of authorization has been returned to the
484 commissioner.

485 (b) Any private occupational school that fails to meet the
486 requirements outlined in subsection (a) of this section shall be fined
487 not more than five hundred dollars per day for each day of
488 noncompliance and, pursuant to subdivision (6) of subsection (a) of
489 section 10a-22c of the general statutes, as amended by this act, shall be
490 ineligible to be issued a certificate of authorization upon application to
491 operate a private occupational school. Funds collected pursuant to this
492 subsection shall be placed in the private occupational student
493 protection account established pursuant to section 10a-22u of the
494 general statutes, as amended by this act.

495 (c) If the commissioner revokes a private occupational school's
496 certificate of authorization, such school shall comply with the

497 requirements of subsection (a) of this section. Failure to comply shall
498 result in further penalties at the discretion of the commissioner.

499 Sec. 15. (NEW) (*Effective October 1, 2006*) (a) A private occupational
500 school shall maintain, preserve and protect, in a manner approved by
501 the Commissioner of Higher Education, or the commissioner's
502 designee, all school records including, but not limited to: (1) Student or
503 academic transcripts; (2) attendance records; (3) copies of individual
504 enrollment agreements or contracts; (4) evidence of tuition payments;
505 and (5) any other documentation as prescribed by the commissioner.

506 (b) The commissioner, or the commissioner's designee, may at any
507 time during regular business or school hours, with or without notice,
508 visit a private occupational school. During such visitation, the
509 commissioner, or the commissioner's designee, may request an officer
510 or director of the school to produce, and shall be provided with
511 immediate access to, such records or information as are required to
512 verify that the school continues to meet the conditions of
513 authorization.

514 (c) If a school ceases to operate as a private occupational school, it
515 shall keep the commissioner advised in writing as to the location and
516 availability of student records or shall file all such records with the
517 commissioner.

518 Sec. 16. (NEW) (*Effective October 1, 2006*) The commissioner, or the
519 commissioner's designee, may conduct any necessary review,
520 inspection or investigation regarding applications for certificates of
521 authorization or possible violations of sections 10a-22a to 10a-22k,
522 inclusive, of the general statutes, as amended by this act, sections 10a-
523 22q to 10a-22n, inclusive, of the general statutes, as amended by this
524 act, and sections 12 to 16, inclusive, of this act or of any applicable
525 regulations of Connecticut state agencies. In connection with any
526 investigation, the commissioner or the commissioner's designee, may
527 administer oaths, issue subpoenas, compel testimony and order the
528 production of any record or document. If any person refuses to appear,

529 testify or produce any record or document when so ordered, the
530 commissioner may seek relief pursuant to section 13 of this act.

531 Sec. 17. Section 10a-22q of the general statutes is repealed and the
532 following is substituted in lieu thereof (*Effective October 1, 2006*):

533 (a) After each annual determination of the balance of the private
534 occupational school student protection account required by section
535 10a-22w, as amended by this act, if the balance of the account is more
536 than two million five hundred thousand dollars, the State Treasurer
537 shall transfer to a separate, nonlapsing account within the General
538 Fund, to be known as the private occupational school student benefit
539 account, three-fourths of the annually accrued interest of said student
540 protection account.

541 (b) Whenever the balance of the student protection account is five
542 per cent or less of the annual net tuition income of the schools which
543 make payments to the account pursuant to section 10a-22u, as
544 amended by this act, any unallocated funds in the student benefit
545 account shall be transferred to the student protection account.

546 Sec. 18. Section 10a-22r of the general statutes is repealed and the
547 following is substituted in lieu thereof (*Effective October 1, 2006*):

548 [There is established an advisory committee to the Commissioner of
549 Higher Education consisting of seven members appointed by the
550 commissioner, including a representative of the private occupational
551 schools, a representative from the Department of Higher Education
552 and five members chosen from business or industry, state legislators,
553 private occupational school alumni and the general public. Three of
554 the members first appointed to the committee shall be appointed for a
555 term of three years and four of the members first appointed shall be
556 appointed for a term of two years. Thereafter, all members shall be
557 appointed for a term of two years.]

558 (a) The [Commissioner of Higher Education] commissioner shall

559 administer the private occupational school student benefit account
560 [with the advice of the advisory committee] and may assess the
561 account for all direct expenses incurred in the implementation of this
562 section. The account shall be used to award [financial aid] student
563 benefit account grants for the benefit of private occupational school
564 students. [The]

565 (b) Student benefit account grants shall be paid to the private
566 occupational school designated by the grant recipient to be applied
567 against the tuition expenses of such recipient. [If the balance of the
568 student protection account is five per cent or less of the annual net
569 tuition income of the schools which make payments to the account
570 pursuant to section 10a-22u, any unallocated funds in the student
571 benefit account shall be transferred to the student protection account.]

572 Sec. 19. Section 10a-22s of the general statutes is repealed and the
573 following is substituted in lieu thereof (*Effective October 1, 2006*):

574 The [Commissioner of Higher Education, with the advice of the
575 advisory committee,] commissioner shall establish the criteria for
576 awarding [financial aid] student benefit account grants. Applications
577 for grants shall be submitted on such forms and in such manner as the
578 commissioner [, with the advice of the advisory committee, shall
579 prescribe] prescribes. The commissioner shall establish policies [, with
580 the advice of the advisory committee,] for the return of any portion of
581 a [financial aid] student benefit account grant, representing tuition of a
582 student, which would otherwise be refundable.

583 Sec. 20. Section 10a-22t of the general statutes is repealed and the
584 following is substituted in lieu thereof (*Effective October 1, 2006*):

585 The Treasurer shall pay [financial aid] student benefit account
586 grants, approved and ordered to be paid by the commissioner [with
587 the advice of the advisory committee,] from the student benefit
588 account.

589 Sec. 21. Section 10a-22u of the general statutes is repealed and the
590 following is substituted in lieu thereof (*Effective October 1, 2006*):

591 (a) There shall be an account to be known as the private
592 occupational school student protection account within the General
593 Fund. Each private occupational school authorized in accordance with
594 the provisions of sections 10a-22a to 10a-22k, inclusive, as amended by
595 this act, and sections 12 to 16, inclusive, of this act, shall pay to the
596 State Treasurer an amount equal to one-half of one per cent of the
597 tuition received by such school per calendar quarter exclusive of any
598 refunds paid, except that correspondence and home study schools
599 authorized in accordance with the provisions of sections 10a-22a to
600 10a-22k, inclusive, as amended by this act, and sections 12 to 16,
601 inclusive, of this act, shall contribute to said account only for
602 Connecticut residents enrolled in such schools. Payments shall be
603 made by January thirtieth, April thirtieth, July thirtieth and October
604 thirtieth in each year for tuition received during the three months next
605 preceding the month of payment. Said account shall be used for the
606 purposes of section 10a-22v, as amended by this act. Any interest,
607 income and dividends derived from the investment of the account
608 shall be credited to the account. All direct expenses for the
609 maintenance of the account may be charged to the account upon the
610 order of the State Comptroller. The [Commissioner of Higher
611 Education] commissioner may assess the account (1) for all direct
612 expenses incurred in the implementation of the purposes of this
613 section which are in excess of the normal expenditures of the
614 Department of Higher Education for accounting, auditing and clerical
615 services, and (2) for the fiscal years ending June 30, 2000, and June 30,
616 2001, in an amount not to exceed one hundred seventy thousand
617 dollars in each of such fiscal years for personnel and administrative
618 expenses for the purposes of sections 10a-22a to 10a-22k, inclusive, as
619 amended by this act, and sections 12 to 16, inclusive, of this act,
620 provided such amount does not exceed the annual interest accrual,
621 which shall be transferred to the appropriation of the Department of
622 Higher Education for personal services and other expenses for

623 positions and responsibilities relating to said sections, provided the
 624 department has expended all federal funds that may be available for
 625 personnel and administrative expenses for the purposes of said
 626 sections. After disbursements are made pursuant to subdivisions (1)
 627 and (2) of this subsection, if the resources of the private occupational
 628 school student protection account exceed two million five hundred
 629 thousand dollars, no additional school assessments shall be made.

630 (b) Payments required pursuant to subsection (a) of this section
 631 shall be a condition of doing business in the state and failure to make
 632 any such payment [within thirty days] by the thirtieth day following
 633 the date on which [it] such payment is due [shall] may result in the loss
 634 of authorization under section 10a-22f, as amended by this act. Such
 635 authorization shall not be issued or renewed if there exists a failure to
 636 make any such payment [in excess of] more than thirty days
 637 [following] after the date on which [it] such payment is due.

638 (c) If an audit conducted by the [Department of Higher Education]
 639 commissioner, or the commissioner's designee, determines that a
 640 school has paid into the private occupational school student protection
 641 account an amount less than was required, the school shall pay [said
 642 amount plus] the amount of the underpayment. The commissioner
 643 may assess a penalty of ten per cent [of] on the amount of such
 644 underpayment. The required payment shall be made to the State
 645 Treasurer [within] not later than thirty days [of receipt] after the
 646 mailing of notice from the commissioner, or [his] the commissioner's
 647 designee, of the amount of the underpayment and penalty.

648 (d) If an audit conducted by the [Department of Higher Education]
 649 commissioner, or the commissioner's designee, determines that a
 650 school has paid into the private occupational school student protection
 651 account an amount more than was required, subsequent payment or
 652 payments by the school shall be appropriately credited until such
 653 credited payment or payments equal the amount of the overpayment.

654 Sec. 22. Section 10a-22v of the general statutes is repealed and the

655 following is substituted in lieu thereof (*Effective October 1, 2006*):

656 (a) Any student enrolled in a private occupational school authorized
 657 in accordance with the provisions of sections 10a-22a to 10a-22k,
 658 inclusive, as amended by this act, and sections 12 to 16, inclusive, of
 659 this act, who is unable to complete a course or [unit] program of
 660 instruction at such school because of the insolvency or cessation of
 661 operation of the school and who has paid tuition for such course or
 662 unit of instruction, may make application to the [Commissioner of
 663 Higher Education] commissioner for a refund of tuition from the
 664 account established pursuant to section [10-22u] 10a-22u, as amended
 665 by this act, to the extent that such account exists or has reached the
 666 level necessary to pay outstanding approved claims, except that in the
 667 case of correspondence and home study schools authorized in
 668 accordance with the provisions of sections 10a-22a to 10a-22k,
 669 inclusive, as amended by this act, and sections 12 to 16, inclusive, of
 670 this act, only Connecticut residents enrolled in such schools may be
 671 eligible for such refund.

672 (b) Upon such application, the commissioner shall determine
 673 whether the applicant is unable to complete a course or [unit] program
 674 of instruction because of the insolvency or cessation of operation of the
 675 school to which tuition has been paid.

676 (c) The commissioner may summon by subpoena any person,
 677 records or documents pertinent to the making of a determination
 678 regarding insolvency or cessation of operation. For the purpose of
 679 making any tuition refund pursuant to this section, a school shall be
 680 deemed to have ceased operation whenever it has failed to complete a
 681 course or [unit] program of instruction for which the student has paid
 682 a tuition fee and, as a result, the school's authorization has been
 683 revoked pursuant to section 10a-22f, as amended by this act.

684 (d) If the commissioner finds that the applicant is entitled to a
 685 refund of tuition because of the insolvency or cessation of operation of
 686 the school, the commissioner shall determine the amount of an

687 appropriate refund which shall be equal to or a portion of the tuition
688 paid for the uncompleted course or [unit] program of instruction.
689 Thereafter the [Commissioner of Higher Education] commissioner
690 shall direct the State Treasurer to pay, per order of the Comptroller,
691 the refund to the applicant. [or persons, agencies or organizations
692 indicated by the applicant who have paid tuition on the student's
693 behalf.] If the student is a minor, payment shall be made to the
694 student's parent, parents or legal guardian. Each recipient of a tuition
695 refund made in accordance with the provisions of this section shall
696 assign all rights to the state of any action against the school or its
697 owner or owners for tuition amounts reimbursed pursuant to this
698 section.

699 (e) Upon such assignment, the state may take appropriate action
700 against the school or its owner or owners in order to reimburse the
701 student protection account for any expenses or claims that are paid
702 from the account and to reimburse the state for the reasonable and
703 necessary expenses in undertaking such action.

704 Sec. 23. Subdivision (4) of section 10-67 of the general statutes is
705 repealed and the following is substituted in lieu thereof (*Effective*
706 *October 1, 2006*):

707 (4) "Cooperating eligible entity" means any corporation or other
708 business entity, nonprofit organization, private occupational school
709 authorized pursuant to sections 10a-22a to 10a-22k, inclusive, as
710 amended by this act, and sections 12 to 16, inclusive, of this act,
711 institution of higher education licensed or accredited pursuant to the
712 provisions of section 10a-34, regional vocational-technical school or
713 library which provides classes or services specified under subdivision
714 (1) of subsection (a) of section 10-69, in conformance with the program
715 standards applicable to boards of education, through a written
716 cooperative arrangement with a local or regional board of education or
717 regional educational service center.

718 Sec. 24. Subdivision (109) of section 12-412 of the 2006 supplement

719 to the general statutes is repealed and the following is substituted in
720 lieu thereof (*Effective October 1, 2006*):

721 (109) Sales of college textbooks to full and part-time students
722 enrolled at institutions of higher education or private occupational
723 schools authorized pursuant to sections 10a-22a to 10a-22k, inclusive,
724 as amended by this act, and sections 12 to 16, inclusive, of this act,
725 provided the student presents a valid student identification card. For
726 purposes of this subdivision, "college textbooks" means new or used
727 books and related workbooks required or recommended for a course at
728 an institution of higher education or a private occupational school
729 authorized pursuant to sections 10a-22a to 10a-22k, inclusive, as
730 amended by this act, and sections 12 to 16, inclusive, of this act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2006</i>	10a-22a
Sec. 2	<i>October 1, 2006</i>	10a-22b
Sec. 3	<i>October 1, 2006</i>	10a-22c
Sec. 4	<i>October 1, 2006</i>	10a-22d
Sec. 5	<i>October 1, 2006</i>	10a-22e
Sec. 6	<i>October 1, 2006</i>	10a-22f
Sec. 7	<i>October 1, 2006</i>	10a-22g
Sec. 8	<i>October 1, 2006</i>	10a-22h
Sec. 9	<i>October 1, 2006</i>	10a-22i
Sec. 10	<i>October 1, 2006</i>	10a-22j
Sec. 11	<i>October 1, 2006</i>	10a-22k
Sec. 12	<i>October 1, 2006</i>	New section
Sec. 13	<i>October 1, 2006</i>	New section
Sec. 14	<i>October 1, 2006</i>	New section
Sec. 15	<i>October 1, 2006</i>	New section
Sec. 16	<i>October 1, 2006</i>	New section
Sec. 17	<i>October 1, 2006</i>	10a-22q
Sec. 18	<i>October 1, 2006</i>	10a-22r
Sec. 19	<i>October 1, 2006</i>	10a-22s
Sec. 20	<i>October 1, 2006</i>	10a-22t
Sec. 21	<i>October 1, 2006</i>	10a-22u

Sec. 22	<i>October 1, 2006</i>	10a-22v
Sec. 23	<i>October 1, 2006</i>	10-67(4)
Sec. 24	<i>October 1, 2006</i>	12-412(109)

Statement of Purpose:

To revise statutes relating to the certification and oversight of private occupational schools.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]